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ABSTRACT

The past several years have seen basic changes in policies and programs concerning poverty, work, and workforce development. The essence of the changes is putting work first, and many states and localities are building "Work First" into welfare-to-work programs funded under Temporary Assistance to Needy Families, and many are adopting Job Training Partnership Act funds to support the new policy. In implementing "work first" policies, it is necessary to look at and do something about the realities of the labor market. One of the most important of these is the need for skills that working does not teach. This report describes a number of programs that combine skills training and "Work First" employment. Three different models of "Work First" training and employment are described. In one, the hub organization provides the training, and others provide the "Work First" jobs. A second approach has the hub organization provide the jobs while others provide the training. In the third model, the hub organization provides both jobs and training. Whatever their organizational framework, all the programs described in this report rely on multisource funding strategies. Some of the principles common to the programs described are identified. Descriptions of seven "Work First" programs show how they operate, are funded, and who benefits from their operation. (SLD)

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Working to Learn:

Skill Development Under Work First

ED 436 600

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Working to *Learn:*

Skills

Development

Under

Work First

Joseph Stillman

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A New Focus on **Working**

The past several years have seen basic changes in policies and programs concerning poverty, work and workforce development. This new era puts a long-held ideal into practice: work is good, and since work is good, working sooner must be better. Getting a job and working hard is not the last step, it is the first step. *Work First.*

It is true that policies and programs are still being debated and refined at the national, state and local levels. It is also true that new federal legislation provides states and localities with wide discretion in defining policies and implementing programs, and that significant differences are emerging. In each place, they are being shaped by the diverse priorities and actions of thousands of institutions and individuals: employers, elected officials, workforce development and educational institutions, advocates, foundations, workers and job seekers. Nevertheless, the underlying change is clear—*Work First.*

This change is already having an impact on workforce development, as practitioners operating under a range of funding sources are being encouraged or required to structure their programs so that work is first.

Most states and localities are building *Work First* into welfare-to-work programs funded under Temporary Assistance to Needy Families (TANF), and many are also adapting Job Training Partnership Act (JTPA) funds to support the new policy. In addition, although it is not required under the new law, individual states and localities are emphasizing *Work First* as they prepare to implement the Workforce Investment Act of 1998 (WIA).[1] Many providers are finding that it is becoming difficult or even impossible to enroll welfare recipients in training programs that do not meet *Work First* requirements. Those recipients that do enroll frequently leave the program before completion, either because TANF staff have required them to leave or because the recipients believe they are risking their benefits by remaining in training. This creates a ripple effect, changing recruitment strategies, program design and operation, and the structure of training opportunities for all program participants.

The Need for

Skills and Skills Training

Work First is a powerful vision, in part, because working for pay teaches people critical job skills that cannot be learned in a classroom or a simulated work site. Everyone who has ever worked for pay remembers that s/he did not know how to work until s/he had done it, that many of the most basic skills that work demands had to be learned almost as soon as the job began, and that it cost you if you did not learn them. Similarly, workforce development practitioners know that for even their best graduates, the first month or two after placement is the riskiest time because the new workers face demands they could not learn to handle in any training program. Making it through those first weeks without significant problems means that they are learning to meet those demands and their chances for long-term success improve dramatically.

In implementing *Work First*, however, it is necessary to look at—and do something about—other realities of the labor market. One of the most important of these is the need for skills that working does not teach. A willing hand or a strong back are no longer enough for employers or for workers. Workers must not only be ready and willing; they must also be able.

Many employers do not have the skilled workers needed to do business

- A National Association of Manufacturers (NAM) 1997 survey[2] found that 88 percent of members responding reported a shortage of qualified workers. Lack of necessary technical skills is among the most common reasons for rejecting applicants.
- Because they cannot find the skilled workers they need, EKL Machine, Triumph Controls, Brenner Tool and Die, and other Philadelphia-area machine shops are losing business. Some are turning down work orders and others cannot bring in new equipment that would increase productivity and profit.
- Information technology companies in labor markets across the country are struggling with similar challenges. A survey conducted by the Information Technology Association of America in 1997 found approximately 190,000

unfilled jobs due to a shortage of skilled workers, and more than half of the companies reported that they would need even more workers in the following year.[3] While many positions require advanced degrees, many other well-paid jobs can be obtained with only four or five months of training.

In these and in thousands of other instances, employers are losing money because they cannot find workers with the basic "hard" and "soft" skills that are needed to do the work. In their effort to remedy this, businesses are exploring—and some are investing in—ways to train low-income low-skilled workers to fill the skills gap.

Many workers do not have the skills needed to earn a living

As workers with high-demand skills are commanding good wages and other high-skill high-wage jobs remain unfilled, many workers spend their working lives moving in and out of low-wage jobs without the skills, labor market savvy, and networks needed to move up. In 1979, for example, 23.7 percent of American workers were paid hourly wages that, even if they were employed full time all year (and many are not), would not earn them enough to raise themselves and their families above poverty. By 1997, this proportion of the workforce had risen to 28.6 percent.[4]

Many unemployed job seekers will also find themselves working but poor if they are not able to improve their skills. A 1999 study by the Educational Testing Service concludes that approximately 70 percent of the people who will join the labor force by 2006 as a result of the new welfare law do not now have the skills they will need to earn enough to support themselves and their children.[5]

Recent surveys of people who have left welfare in 21 states paint the same portrait. In most states, between 50 percent and 65 percent of adults were working. Of those, most were working and poor, earning just above the minimum wage with averages ranging from $5.50 to $7.50 per hour. In Florida, for example, a state board concluded that only 4 to 8 percent of people leaving welfare were earning $10 per hour, a wage that the board had set as the standard for "self-sufficiency."[6]

These and other studies confirm what workforce development practitioners, business people and many policymakers have known: most people with few skills and little education continue to move from one low-paying job to another, stuck at the bottom of the earnings ladder. To earn enough to provide even the basic necessities for themselves and their children, most workers need more than the entry-level wages and benefits that can be earned in most low-skilled jobs.[7]

Learning Skills on the Job: **What It Does** *and* **Does *Not* Accomplish**

The most effective job training for adults is often provided by employers themselves, not as a program to help workers or job seekers, but as an investment in strengthening the business. The private sector makes a substantial investment in training: the American Society for Training and Development (ASTD) reports that in 1995, businesses collectively spent $55.3 billion training their employees ($26.4 billion in direct expenditures and $28.9 billion in wages paid to employees while in training).[8]

Unfortunately, this investment affects relatively few businesses, few workers and even fewer lower-level workers. Less than 1 percent of companies accounted for 90 percent of all dollars spent by business on training,[9] and most formal training is given to people already employed in managerial, technical or professional positions. Only 4 percent of workers between the ages of 16 and 25 who did not go to college have received four weeks or more of training.[10] As a result, while company-sponsored training provides significant benefits to those who are affected, it appears that little reaches the workers with the greatest need and few resources are applied to remedying the skill limitations that are holding them back.

Getting Work First and Skills Training to Work: *The Practitioners' Job*

The first impression

The first reaction of many workforce development practitioners to the new laws is that they seriously undermine skills training for those most in need, and may make it virtually impossible. From some perspectives, this looks like workforce development's Catch-22: men and women who need better skills, and could be learning them, must instead work in low-paying jobs with little opportunity for advancement.

In a recent survey of local *Work First* managers in Michigan, 42 percent said that clients needed education and training. As one manager said: "When you look at our labor market and see what jobs are available, you'll find that these positions require an increase in technical ability. If you're not helping participants get these abilities, then are you helping?"[1]

Until now, the development of *Work First* has focused on policy, with the debate focusing on decisions at the national level. The debate continues, but its center has shifted to state and local government, and its focus is increasingly on implementation as public officials, advocates, practitioners and others hammer out programs and guidelines.

As implementation guidelines are developed, the central challenge is borne by workforce development practitioners. They must make the best of the day-to-day effects of policy decisions on workers, job seekers, employers, and their own programs and organizations. As one former practitioner said, "It looks like we're facing a cut-and-dried choice between putting people to work now or helping them get skills—if you do one you can't do the other. But when it comes down to it, we can't afford to make that choice. We need to figure out how to do both, and no one is going to figure it out for us."

Practitioners who make Work First *work*

Some practitioners are demonstrating that it can be done. In different ways, each one has taken the quotation marks off the label

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"Work First," has looked past the heated arguments and the legitimate concerns that those two words have generated, and come up with a strategy that makes work one of the first components of an effective workforce development program.

Because the *Work First* requirements of TANF and WIA have only begun to have a practical impact on individuals looking for work or better work, the number of these programs is still comparatively small and most of them were designed before *Work First* became law, much less an operational reality. Their designers developed strategies combining *Work First* and skills training for a number of reasons: because they anticipated the coming change; because work was already an integral part of their training design; because employers had an immediate need for workers and could not wait for the weeks or months of training to be over; because potential trainees could not afford to be just in training.

Many of the programs reviewed in the preparation of this report are fairly new, but work as a first part of an integrated strategy that includes skills training, support services, job placement and other workforce development tools, has been a part of effective programs since at least the early 1970s. While broad funding ended for programs combining work and training, for some practitioners the strategy was too effective to abandon. The "supported work" model, for example, was first developed over 25 years ago and is still in operation today, used by both nonprofit and for-profit practitioners.[12]

Supported work is a strong model, but it is not the only way to combine skills training and *Work First*. While all the programs reviewed in the preparation of this report share the same basic purpose and are shaped by the same basic forces, there is no single "correct" model. They are operating in nonprofit organizations, community colleges, public agencies, corporations, industry associations and unions, and rely on as wide an array of partners and partnership structures. They draw on multiple sources of funding and support, including public agencies, foundations, their own capital or operating revenues, individual donors and in-kind contributions from partner organizations. Each is shaped by a unique combination of its own strengths, needs and interests, and those of participants, allies, competitors, individual employers, public officials, private funders and community leaders, local and regional labor markets, geography and transportation, public policy, crises, opportunity and luck.

How to Do It:

Learning from Experience

Learning from the experience of others is always useful and, given the speed with which practitioners and policymakers need to develop a whole new generation of programs combining skills training and *Work First*, these lessons may provide a particularly valuable resource. Effective programs require both an organizational foundation that provides the capacity and structure for the initiative, and a design that responds to specific opportunities and challenges. Cutting across the diversity of circumstance and approach, there are basic strategies and principles of effective practice that practitioners adapt to combine training and work.

Organizational Strategies

The combination of skills training and *Work First* employment requires the execution and coordination of an unusually wide array of operations: participants are recruited, screened, employed, supervised and (except in cases of "workfare") paid in transitional or temporary part-time jobs; simultaneously, participants are assessed, trained in job-specific and "soft" skills, and provided with necessary remediation, counseling and support services; finally, people who complete the program successfully are assisted in making the move to permanent full-time jobs.

Few organizations have the expertise, resources and capacity needed to carry out and coordinate this range of activities, and most effective initiatives rely on the active participation of several organizations. However there is always one organization (and often one unit within that organization) that is the hub of the project. This "hub" organization is not necessarily the most powerful, nor does it always control the most critical resources. However, driven by a more single-minded commitment or a greater need, it is the one that takes on the day-to-day responsibility for making sure that the project works. This section describes the three different ways that practitioners have combined skills training and *Work First*, as seen from the perspective of the hub organization.

Hub Organization Provides Training; Others Provide *Work First* Jobs

Under this model, the hub organization provides the skills training and support services, and trainees are employed by other organizations (either private employers or public sector work programs). While employed, trainees are paid wages or (if they are TANF recipients) work in exchange for their welfare checks. In some cases, the training program places participants in jobs that provide training-related experience, often with companies that collaborate in the creation of custom-designed training programs because they are having difficulty finding skilled workers. In other cases, trainees are in jobs that are unrelated to training. These jobs are either found by the trainees themselves or with the assistance of the training program or another agency (often a *Work First* or One Stop agency).

Since 1995, **Oakland Community College**, in Pontiac, Michigan, has run the Advanced Technology Program (ATP) for welfare recipients. Training cycles are 20 weeks, five days a week from 9 a.m. to 3:30 p.m. Each cycle is custom-designed for major area information technology employers, including Electronic Data Systems, Kelly Services and Xerox, who hire graduates in jobs paying between $18,000 and $25,000. To qualify for training, participants must be employed 25 hours a week at jobs (most of which are unrelated to training) that they find for themselves or through their Work First Job Clubs. During the last four weeks, part of the trainees' program time is spent in paid internships with the participating employer. Oakland Community College also relies on a network of community-based agencies that provide support services for trainees.

In New York City, **Federation Employment and Guidance Services** (F.E.G.S.) and **Business Link** operate a program to prepare welfare recipients for Sales Associate jobs at Macy's. During training, participants spend four hours a day in training and four hours a day working on-site at F.E.G.S. in unpaid assignments under the city government's Work Experience Program, which fulfills their *Work First* requirement. F.E.G.S. developed the program with Business Link, a program of the City's welfare agency, which made the initial contact with Macy's and brought F.E.G.S. in to provide training. With the program in operation, Business Link recruits and screens recipients and refers them to F.E.G.S.

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Hub Organization Provides the *Work First* Jobs; Others Provide the Training

Under this model the employer is the center of operations, and training is provided by another organization or organizations. Like the companies that cooperate with hub organizations providing training, the employer's central purpose is to increase the quantity or quality of workers and often participates directly in the design and operation of the training program. The training programs prepare participants for jobs within specific parts of the company, and often for specific job titles. The training and support services are provided by another organization or organizations, working either in collaboration with the employer or under its direction. Training is often conducted on-site at a company facility or—when training is not on-site—the course material, terminology, dress code and even the physical facility is designed to match the company as closely as possible. Funding for training and wages is drawn from a mix of public and private sources.

At the **City of Phoenix Housing Department's** Economic Initiatives Program, the Coordinator begins by working with residents to assess career interests and capabilities and follows with three weeks of skills development classes focusing on soft skills. Most participants are on welfare, while some are already working and need better jobs. For welfare recipients and others without jobs, the Coordinator places them in part-time positions with the Department or with other public agencies. For skills training, she enrolls participants in courses at one of the community colleges with whom she has established referral relationships. She and the participant select the community college that best meets three criteria: courses in the selected skills; adequate transportation routes from job and home; a course schedule that fits the participant's working hours. The Coordinator works closely with instructors at the colleges and with supervisors at the job to monitor participants' progress, and when training is complete she helps them find permanent employment.

The **Ohio Hotel & Lodging Association** (OH&LA) initiated and continues to be the driving force in a program that prepares welfare recipients for entry-level hotel employment. Created to address the costly labor shortages and high turnover rates experienced by many OH&LA members, the program began in Columbus and then, at the members' request, expanded to Dayton. Trainees are employed by one of the participating hotels from their first day in the program. As employees, they spend an initial week or two in training, followed by 34 weeks of four days on the job and one day in class. In each city, OH&LA collaborates with the State Department of Education as well as local vocational education providers, welfare and other agencies that recruit, train and provide case management, counseling and support services.

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Hub Organization Provides the Training *and* the Jobs

Under this model, all the key elements of the program are carried out by one organization. This typically occurs in one of two ways: either an employer already has or develops the internal capacity to train workers for entry-level or near-entry-level jobs, or a workforce development agency has the capacity to employ participants while they are in training. Even when training and *Work First* employment are provided by the same organization, however, the program is not entirely self-contained. Government or nonprofit agencies may provide counseling and support services; the private employers who will ultimately hire program graduates—if they are not operating the program themselves—often play a central role in its design and operation; public agencies may shape the program, and even play a direct role in its operation, not only by establishing funding and participant eligibility criteria, but also by referring candidates and coordinating access to academic and support services.

Since 1990, **Cessna Aircraft Company** in Wichita, Kansas, has trained welfare recipients (and recently some non-welfare Job Training Partnership Act (JTPA) clients) to be sheet metal assemblers at Cessna. Trainees referred by the local department of human services and JTPA agency are employed by Cessna, working from 7 a.m. to 3:30 p.m. for $7.50 an hour. After the first phase of training (about six weeks) trainees work on actual airplane parts and the hourly wage goes up to $8.30. Training graduates get a raise to $10.38 an hour and are transferred to the main production facilities. The Plant Manager who runs the program notes that for some time his trainee "output" has been part of Cessna's production planning, with annual targets for the number and timing of program graduates reflected in Cessna's annual business plan.

The **Wildcat Service Corporation**, based in New York City, has combined employment and training for welfare recipients for over 25 years, funding wages and training with diverted welfare grants, public sector employment and training contracts, foundation grants and other sources. It has used this mechanism as a basis for scores of welfare-to-work programs, and its basic organizational and program design provides a natural foundation for the development of its Private Industry Partnership initiative, which effectively combines skills training and *Work First* to prepare recipients for high-paying jobs in the financial services sector.

Common Funding Strategies Across All Three Models

Whatever their organizational framework, all the programs reviewed in the preparation of this report rely on multisource funding strategies. For training, most or all of the funding is from public agencies, although often more than one agency and program is used. Other sources of training funds may include in-kind support from public agencies (for example, agency staff, instructors or case managers assigned to work on the program); foundation grants; employer contributions or fee-for-service payments; and contributions from individual donors. Funding for wages (when wages are paid) comes primarily from the employer, sometimes with the partial support of on-the-job training funds from either JTPA or TANF.

Principles of Effective Programs

Programs that effectively combine skills training and *Work First* share a number of common operating principles. Not every program incorporates every principle, but considered together, they provide guidance for practitioners and policymakers as they adapt elements of these strategies or develop new ones. Most workforce development practitioners will need to make basic but achievable changes in the design and delivery of skills training.

Practitioners have learned that successful programs depend not so much on a single new strategy as on the adaptation and coordination of existing strategies. These practitioners create and then sustain a complex coordination among diverse program elements. Work must not only allow participants to meet *Work First* requirements; it must also support training, and at the same time must provide a useful product to the company or agency that provides the job. Training must not only produce the skilled workers required by employers and provide participants with skills needed for better jobs; it must also complement the *Work First* employment, and at the same time take into account the unique challenges and opportunities faced by the worker-trainees.

The demands of coordination effect every aspect of program design and operation, including basic program strategy, daily operations, program costs, funding and marketing strategies, staff qualifications and job descriptions, support services, schedules, locations and program outcomes. Effective programs build coordination into the initial design, and then continually monitor and make adjustments as the program proceeds.

Work Comes First

For over 30 years, the basic structure of skills training for low-income job seekers has been "learn now, work later." Under *Work First*, that sequence disappears. Trainees become "worker- trainees," putting at least as much time and effort into holding on to low-wage jobs or welfare checks as they do into preparing for a high-wage future. If there is a conflict between the two, most worker-trainees will sacrifice training to protect work.

For practitioners, attracting and retaining these new trainees, and producing the skilled workers that funders and employers require, will depend on taking work as a starting point. In developing their programs, practitioners begin by identifying work schedules, locations and the type of work, sometimes specific job descriptions, and often specific employers. If public agencies need to certify that participants are meeting work requirements, practitioners work with line agency staff and make sure that requirements are met. Employers' needs and preferences are even more carefully addressed, and many programs are custom designed to produce graduates who meet specific employer needs. Participants often work for the same employers during training.

Effective programs must develop strategies that meet the needs of the public agencies that, by controlling access to benefits and services, control so much of participants' current lives. At the same time, they must also meet the needs of the employers who control participants' future lives as wage-earners.

In all of the Wildcat Service Corporation's programs, work literally comes first—from the day they enroll, all trainees are also full-time Wildcat employees. In 1994, senior staff at Wildcat launched a self-assessment and planning effort to prepare for the "end of welfare as we know it" and to identify sectors that could provide living wage jobs for graduates. Targeting New York City's financial services sector, Wildcat launched the Private Industry Partnership (PIP) with Salomon Smith Barney Inc. in July 1995. In PIP's 16-week Phase I, trainee-employees spend almost half their time in classroom-based training, and slightly over half their time working on a range of (primarily clerical) assignments. Wildcat assigns its trainee-employees to work either at Wildcat or at work sites developed by Wildcat at other nonprofit or public agencies. Successful graduates of Phase I go on to Phase II, in which they work in full-time, paid "internships" at Salomon Smith Barney and other PIP partner-employers. Seventy-five percent of Phase II completers are hired by their internship host-employers at starting salaries averaging $25,000. (An additional 5% are placed in training-related jobs at an average of $20,000.)

The Ohio Hotel & Lodging Association's (OH&LA) HOST program provides another example: after diagnostic tests to determine training needs, a job fair is held at which hotel representatives interview candidates and offer them jobs the same day. When training begins a few days later, trainees are also employees of the hotels participating in the training program.

Use Work to Teach Valuable Skills

Effective strategies not only make sure that training does not conflict with work. They also use work to enhance and expand training, using the trainees' job as a training resource. In many cases the connection is a basic part of the program design. Among such programs, either the work is the training and skills are taught almost entirely on-the-job, or training is divided between training-related work with the same employer with whom the program will place graduates, and off-the-job training tailored to the specifics of the job and the workplace.

Even in cases where the perfect fit between work and training is not possible, work is still an important training resource. Trainers use work to reinforce crucial skills, including punctuality, learning new tasks, attention to job requirements, resolving basic workplace problems and balancing the demands of work and personal life.

At Cessna Aircraft Company's 21st Street Training Campus, the trainee is employed from the first day. Also from the first day, work is an integral part of skills training. Trainees work with the tools and materials they will use at the production facilities, and training milestones are expressed in terms of work products. In the second half of the program, trainees sharpen their skills while doing production assembly work. In the Wildcat Service Corporation's Private Industry Partnership with Salomon Smith Barney, participants' initial work assignments may have little direct connection to the jobs for which they are being trained. Despite this, Wildcat's Vice President emphasized that, "We make sure that we use the work assignments to drive home the basic survival skills that new workers need. They're the same whether you're doing basic clerical work here at Wildcat or earning $25,000 at Salomon Smith Barney, or on any job: balancing home and work; juggling multiple responsibilities on the job; being on time and keeping up the pace; figuring out the key requirements of the job and making sure you do them; getting along not only by following the official rules but also dealing with supervisors' and co-workers' unwritten codes of conduct."

New Schedules and Logistics Keep Work and Training Connected

For 30 years, almost all training programs have operated on a five-day-a-week daytime schedule, running without a break from the first day of orientation through graduation. With *Work First*, that standard becomes the exception. Practitioners, working with employers, public officials and others, are using a number of alternative scheduling strategies to accommodate the new reality. Some alternate the training with the paid work that trainees need to meet work requirements; others make training a part of paid work. Training, job counseling and support services operate not only on weekdays but also evenings and weekends, and flexibility is built in to respond to required overtime, shift changes and other changes in work schedules.

Just as practitioners have developed new scheduling strategies to integrate or coordinate *when* work and training take place, they also have developed new logistical strategies to integrate or coordinate *where* work and training take place. Many practitioners have found ways to co-locate training and work, usually at the work site. When work and training locations are divided, most practitioners have identified (and sometimes prompted the creation of) transportation links for trainees traveling between sites, making sure that participants can make it to both training and work on time, and are not "lost" in between.

For example, when the Program Coordinator at the Phoenix Housing Department's Economic Initiatives Program works with an individual trainee to select an appropriate skills training course at one of the area community colleges, she places as much emphasis on training locations and schedules that do not interfere with work schedules as she does on the substance of the courses. In other cases, practitioners who cannot select among training programs until they find a schedule that fits change the program to make it fit. When the Columbus-based Ohio Hotel & Lodging Association's training program was replicated in Dayton, local hotels could not afford to wait for their new employees while they completed the two-week initial training that had worked well in Columbus. To accommodate Dayton employers' needs, the initial cycle was shortened to one week.

When training and work is divided, practitioners have also developed strategies to make sure that information and communication between trainers and employers moves effectively between sites, ranging from basic attendance information, to employers' requirements or concerns and the trainers' responses, to collaborative efforts in the development of new strategies.

Support Services and Training Are Re-Designed to Fit Worker-Trainees

Practitioners often tell their trainees that learning new skills takes just as much hard work as a job, but worker-trainees are doing two jobs at once. Trainers cannot count on the rested and focused effort or on the uninterrupted skills development that full-time training allows. The combination of work and training also puts new strains on trainees' already difficult personal and family lives. Long hours and the need to balance multiple demands often increase the difficulties of child care; heighten tensions with spouses and older children; put new demands on meager clothing budgets; and create new transportation problems. These and other issues can make it difficult or even impossible for participants to continue in training or, having completed training, to hold on to their new jobs.

Programs need to have support services in place that participants will need, and staff need to be ready to maintain training quality and schedules in the face of these new difficulties. Cessna, for example, realized that the housing crises faced by some worker-trainees

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were disrupting training, and developed a housing complex with six, four-bedroom apartments adjacent to the training facility. Oakland Community College raised a special fund from private donors to help trainees deal with emergencies: over three years, $12,000 has been spent on everything from having a criminal record expunged to court fees for divorce to buying an air conditioner for a trainee whose children had severe asthma. Many practitioners at Wildcat, OH&LA, the Phoenix Housing Department and Boston's YMCA Training, Inc. also report that a critical support service depends not on out-of-pocket expenditures, but on making sure that staff have the time to see trainees, and sometimes also instructors and employers, at least every two weeks, and the expertise to identify and respond to difficulties before they become unmanageable.

"I'm working already—What is training going to do for me?" Trainees Need Compelling Reasons to Enroll and Stay in Training

Two statements have often been at the heart of practitioners' efforts to recruit and retain trainees: "Joining this program is your best route to a job"; and, "Until you get a job, this program is the best use of your time." Under *Work First*, however, candidates already have a job or are about to get one. For workers balancing 25-, 30- or even 40-hour work weeks with family and other personal obligations, there is not much time or energy left for anything, including training.

This means that effective recruitment and retention strategies must demonstrate that the successful graduate does not just get a job, but a much better job than s/he could get independently. Practitioners provide a clear description of the jobs that trainees are preparing for, and the ways that these jobs are better. The argument is usually a fairly direct one: the wages are much higher. Other arguments can also be important, however. For example, wages may not be higher, but the job is much more secure, or promotion within six months can be expected, or the benefits package is remarkable. Effective practitioners are equally clear about the "contract" between the trainee and the program: what it takes to qualify for the program; the demands on time and effort that the trainee will have to meet to complete the program; and the training, support services, job placement,

type of jobs, post-placement help, or other services and benefits the program will provide. Perhaps most important, candidates and participants must understand precisely how the program connects successful graduates to better jobs.

Balance the Needs of Funders, Employers, Trainers, Participants

Effective training program managers are good jugglers, balancing the needs of multiple constituents. While this balancing act goes on throughout the life of a program, in the past most managers have attended to the needs of one constituent at a time. Three of the four key constituents were dealt with in sequence, while one—the training organization—provided the ongoing connection. From this perspective, the life of a program (or of the training cycle) can be divided into three phases: first, program start-up; second, enrollment and training; third, final training and placement. In most programs, the funder's needs get the greatest attention during the first phase, having a major impact on the definition of objectives and the program's design. With the needs of the funder met (or at least with the promise that they will be met), the second phase begins. In phase two, when the practitioner enrolls and trains participants, their training and related needs receive the greatest attention, and the practitioner adapts program strategies and resources to maximize the quality and quantity of graduates. Only with the beginning of the third phase, do the needs and preferences of potential employers become most important, defining not only job development but also the final stages of training and services to participants.

With *Work First*, the balancing act becomes more complicated, as practitioners move from addressing each constituent's needs sequentially to responding to all their needs simultaneously. Employers often play a major role from the first days of program design through post-placement and retention services. Many programs that combine skills training and *Work First* engage with one or a small number of employers in the design of the program, and customize training to meet hiring requirements. Funders, particularly public sector funders, can also have operational needs (e.g., that *Work First* requirements are met, that graduates retain jobs) that continue throughout the life of the program. Finally, since trainees are also working during part or all of the training program, and since more and more public funders are requiring programs to meet significant post-placement retention objectives, job placement is not the end of the program's commitment to meeting participant needs, as it once was; often, it is only the beginning.

Make Sure Key Constituents Agree on New Strategies in Advance

Work First creates another challenge in the balance of constituents, particularly for practitioners who have extensive experience under publicly funded employment and training programs. *Work First* is likely to require new or different resources. Staff responsibilities will be adjusted to meet new program demands—requiring in turn, the reallocation and retraining of existing staff and possibly the engagement of new staff. Practitioners may also need to set new enrollment criteria or program performance standards to reflect new demands and opportunities.

As new resource allocations and program strategies are developed, the practitioner needs to make sure that not only funders, but also participants, employers and other key constituents (for example, board members, supportive elected officials, community leaders) understand the changes that need to be made so that they do not judge new strategies by old standards. For example, Boston's YMCA Training, Inc., Mellon Bank and Jobs for Youth have developed a pilot program that prepares welfare recipients to become Junior Trust Specialists while also helping the Bank to resolve persistent difficulties in finding acceptable candidates. After a 10-week job-readiness program, trainees are hired by Mellon Bank, continue their skills training on-site, and also meet regularly with program staff for support services and counseling. As with Wildcat's PIP initiative, an extensive pre-implementation design process involved not only the training organizations and the Bank, but also the local Private Industry Council, and every detail of the initiative was spelled out in a contract among the three organizations. In addition, city officials and others were involved in the development of the initiative and signed off on the program design before implementation began.

Conclusion

Work First is here and has begun—but only begun—to make an impact on the lives of low-income workers and job seekers, on employers and on workforce development organizations. As organizations and individuals take stock and prepare for the future, it is important to bear in mind that "Work First" does not mean "Skills Training Never." It is true that providing skills training under *Work First* presents challenges that will not be mastered by every organization in every case. It is also true, however, that skills training under *Work First* has two compelling advantages. The first is necessity, which—it is said—is the mother of invention: employers need skilled workers to do business and workers need skills to earn a living. The second advantage is experience: there is no need to invent effective strategies from the ground up. Practitioners have demonstrated that work and skills training can be combined to create workforce development programs that effectively meet the needs of workers and employers. We can learn from, expand and build on that success in the future.

Program Descriptions

Cessna Aircraft Company
Wichita, Kansas

The 21st Street Training Program

In December 1990, Cessna began the 21st Street Training Program that hired and trained welfare recipients as sheet metal workers for the Company's subassembly plant. Under the leadership of Cessna Chairman Russ Meyer, the program began because of the Company's belief that Wichita's unemployed should share in the city's economic recovery. While the 21st Street Program continues to express the Company's civic commitment, with the local unemployment rate below 3 percent it has also become an important source of needed skilled workers and an integral part of Cessna's production planning.

Cycles of 10 trainees each begin every three months, and Cessna program staff screen about 20 to 25 candidates (referred by the welfare and JTPA agencies) to fill each cycle. Screening includes reading and math tests (no high school degree or GED is required, but applicants must score at high school levels), a drug screen and physical fitness test, and a half-hour interview with the Training Center's Plant Manager and program staff.

Trainees are Cessna employees from the first day of training. Trainees begin at the Learning Center on Cessna's 48-acre 21st Street Training Campus, learning blueprint reading, shop math and other basic sheet metal skills. Wages start at $7.50 an hour, with benefits after 30 days and a $.10 an hour raise after successful completion of six projects (usually about six weeks). While the program has no specific time requirements, trainees usually graduate after three months (Cessna's Chairman still attends every graduation), and move to the second phase of the program, where they continue training while working in accordance with normal Cessna work procedures and quality standards. From the outset, participants also work with a Cessna support services counselor. In addition, Cessna has an on-site day care center and six units of transitional housing on the 21st Street Campus (supported in part with public funds).

Participants who successfully complete the three-month second phase are hired at Cessna's main production facility where they earn $10.38 an hour. Between 1990 and 1998, the program had enrolled 312 sheet metal trainees; 237 (76%) successfully completed training and 165 (70% of training graduates) are still working at Cessna.

Federation Employment and Guidance Service (F.E.G.S.) *and* New York City Human Resources Administration / Business Link

New York, New York

Macy's Retail Training Program

Since the Spring of 1997, the Macy's Retail Training Program has provided approximately 120 welfare recipients with three weeks of training and work experience, and has placed 117 as Sales Associates at Macy's flagship store, with an average starting wage of $6.93 an hour. The program was initiated by Business Link (a division of the Human Resources Administration (HRA), the city's welfare agency), which works with employers to identify labor needs, and pre-screens and refers candidates recruited from the city's Work Experience Program (WEP or "workfare").

In early 1997, the leadership of a small private foundation approached the Mayor with an interest in funding a new welfare reform initiative. With this in hand, senior staff from the Mayor's office and Business Link met with Macy's executives. Because it was an opportunity for the company to demonstrate its commitment to the city and at the same time to reduce a 70 percent turnover rate among entry-level retail workers, Macy's enthusiastically agreed to participate. Business Link then identified F.E.G.S. to provide the training. (F.E.G.S., with 65 years of experience, currently places about 2,500 people a year in unsubsidized jobs.) With the team in place, staff from the private employer, the nonprofit training provider and the city agency worked together to develop the program, and have continued to work together to implement the program.

Business Link recruits candidates from WEP work sites (approximately 35,000 welfare recipients are in WEP). The Business Link Account Manager assigned to the project—who has retail experience herself—pre-screens applicants, and selects about 30 to be interviewed by Macy's and F.E.G.S. Once at F.E.G.S., trainees spend half of each day on WEP assignments at F.E.G.S., and half in training, which includes "soft" skills; customer service; basic retail operation; and Macy's specific procedures, rules, demeanor and dress code. (Clothing for interviews and the first weeks on the job is provided by two nonprofit organizations, Dress for Success and The Bottomless Closet.) Trainees also take a "behind-the-scenes" tour of Macy's and meet with staff. F.E.G.S. continues to work with graduates for six months after they start work at Macy's.

The result is a program that, although it provides only three weeks of training, reports a 98 percent placement rate. Furthermore, Macy's reports that program graduates are better prepared and motivated—their turnover rate is 32 percent (compared with 70% for other Sales Associates), and a number of graduates have been promoted.

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Oakland Community College
Pontiac, Michigan

Advanced Technology Program (ATP)

In the summer of 1995, State Representative Hubert Price approached Oakland Community College and the local Workforce Development Board to develop advanced technology training for local residents on welfare. Representative Price, responding to a shortage of skilled workers in the local information technology industry and a high unemployment rate in his district, strongly believed that given good training welfare recipients could meet employers' needs and succeed in high-technology careers. The response was the Advanced Technology Program (ATP).

Oakland Community College's ATP trains welfare recipients in 15- to 20-week cycles that are custom designed to fill specific job titles for major information technology sector employers with chronic labor shortages (including Electronic Data Systems, Kelly Services and Xerox).

Trainees must be in the TANF Work First Job Club, have high school degrees or GEDs, submit two letters of reference and pass interviews with college and company staff. Students commit to a 55-hour week: their obligations are met with 25-hour part-time jobs (which they find for themselves or through their Work First Job Club); and 30 hours in training, taking both credit-bearing and noncredit-bearing courses at the college. Participating companies must provide paid part-time internships, jobs at starting salaries ranging from $18,000 to $25,000 with opportunities for advancement, and mentors.

Since 1995, ATP has trained 140 recipients and expects to train 100 more in 1999. Over 80 percent of ATP's graduates are still employed with ATP's corporate partners. Over 95 percent of the trainees have been women with children, approximately 60 percent African American, 30 percent white and 10 percent Latino. ATP's annual budget of $227,000 is supported with JTPA, TANF, Governor's Career Scholarship, and a small amount of privately raised funds. The program also draws on services and in-kind resources from public agencies and nonprofit organizations.

Ohio Hotel and Lodging Association (OH&LA)
Columbus, Ohio

Hospitality On-Site Training (HOST) Program

In 1996, the challenge of finding and retaining enough entry-level staff to meet the requirements of Columbus hotels was moving from difficult to nearly impossible. Direct recruitment did not meet the need, private placement agencies were proving expensive and unable to fill the gap, and high turnover (an industry-wide fact of life) was compounding the problem. At the same time, a number of public agencies were focusing more attention on the need to move people from welfare to work, and HOST not only met hotels' need for workers, but also created job opportunities for welfare recipients.

Participants are hired by hotels before training begins. While entry-level wages in the hotel industry will not, by themselves, raise a worker's family out of poverty, the benefits are excellent and promotion both within and across departments is the rule rather than the exception. The entry criteria are minimal, and virtually every applicant gets a job. After participants are on payroll, they receive one to two weeks of classroom-based life skills training, followed by 34 weeks of four days on the job and one day in class.

To develop the curriculum and provide training and support services, OH&LA developed partnerships with the Ohio Department of Education, the state and local welfare agencies, JTPA agencies, local vocational schools and community colleges. As of May 1999, 55 trainees completed the Columbus program and were assigned to housekeeping, front desk, PBX operator, and host/cashier positions, with starting salaries ranging from $6.25 to $7.50 (with full benefits after 90 days); 67 percent were still employed, and 10 graduates (19%) had been promoted to supervisory or trainer positions. An additional 15 were still in training. This retention rate was almost four times the average tenure of staff in similar job titles who were not in HOST. In September 1998, HOST expanded to Dayton, where the first 22 trainees were expected to graduate in June 1999.

Phoenix Housing Department
Phoenix, Arizona

Economic Initiatives Program

The Economic Initiatives Program (EIP) provides public housing residents with skills training, academic remediation, support services, internships and job placement. EIP has been in operation since 1991 with funding from the U.S. Department of Housing and Urban Development, and is open to all public housing residents who are legally eligible and physically able to work. The program enrolls between 15 and 20 trainees three times a year, and participants take between one and two years to complete the program, depending on whether or not a GED must be earned before completion. Trainees who are on welfare (and most, but not all, are) are placed in part-time paid jobs, usually in the Housing Department or other public agencies, where they can apply the skills they are learning.

EIP begins with a three-week skills development course focusing on work readiness, self-esteem, money management and other "soft" skills. This course is led by the Program Coordinator, who enlists paid and volunteer instructors from "all walks of life." Job-specific training is provided by area community colleges, and most trainees have enrolled in building maintenance, health services, computer technician or office administration. The Coordinator works with each trainee to develop an individualized program tailored to her or his experience, interests, capabilities, family obligations, job location and schedule.

Once training begins, the Coordinator meets with each participant every week. She also works closely with instructors, job supervisors and welfare agency staff to deal with any problems that arise. Day care is provided through the welfare agency, and the Coordinator also draws on a number of nonprofit agencies to provide additional support services and specialized assistance in academic remediation, English as a Second Language (ESL), immigration-related concerns and other areas as needed.

EIP's goal is to enable participants to earn a salary that allows them to support themselves and their families, and to move out of public housing. As participants near graduation, the Coordinator develops job opportunities and prepares trainees for interviews. By the end of 1998, about 200 residents had been enrolled, 100 had completed the program, and 48 were still in training. Graduates have been placed in jobs paying between $9 and $15 an hour, most with city agencies and with full benefits.

Wildcat Service Corporation
New York, New York

Private Industry Partnership (PIP)

For over 25 years, Wildcat has operated employment programs for welfare recipients, in many of which Wildcat "employs" trainees using welfare grant diversion and other funding to support wages and program costs. In 1994, senior staff launched a self-assessment and planning effort to prepare for the "end of welfare as we know it" and to survey the New York labor market and identify sectors that could provide living-wage jobs for graduates of a "demand-driven" training program designed to meet the needs of specific sectoral employers. Targeting the financial services sector, Wildcat launched PIP with Salomon Smith Barney Inc. in July 1995. Program applicants must be on welfare (most are referred by the city's welfare department), be drug free, score 7.5 to 8 on reading and math, and meet any specific employer requirements. The program operates in two phases, each up to 16 weeks.

In the first phase of the program, participants' time is divided between training at Wildcat (45%) and work assignments that meet welfare work requirements (55%). The curriculum, developed jointly by Wildcat and Smith Barney, includes work readiness, business English and math, and specific software and job-specific skills for a cluster of related occupations. Participants who graduate to Phase II work as interns at Smith Barney but are still employed by Wildcat, and meet at least weekly with case managers.

Since 1995, Wildcat has developed other employer-partners in the sector (including Chase Manhattan Bank and Morgan Stanley Dean Witter). As of January 1999, 200 welfare recipients had been enrolled, 152 were graduated to Phase II and 130 have been placed, 114 of whom have been hired by their host-employers with an average starting salary of $25,000. In early 1999, Wildcat led PIP's replication in Baltimore, where the employer-partner is the Commercial Credit Company (a wholly owned subsidiary of Citigroup), and the training is provided by the Maryland Center for Arts and Technology.[1]

YMCA Training, Inc.
Boston, Massachusetts

Opportunity For Employment

Training, Inc. and Mellon Bank have worked together since the late 1980s. In early 1998, Training, Inc. approached the bank, which was faced with a chronic shortage of skilled entry-level staff in its Trusts operation, to create a pilot program that would help to address the bank's staffing needs and provide good jobs for welfare recipients who would soon be subject to the state's *Work First* policy. To address these dual needs, the bank agreed to hire trainees and pay them $17,000 while they were still in training, and created a new job title—Junior Trust Specialist—for the trainees. The bank also waived its standing requirement of a high school degree or GED, allowing employee-trainees to get a GED during their six-month training period and a four-week internship at Mellon Bank. After training, successful graduates will become Associate Trust Specialists (at a salary of $19,600) and can later advance to the position of Trust Specialist (at $22,500).

The training begins with a 10-week preemployment job-readiness course. Participants who complete this phase are then hired by the bank, and they receive 16 weeks of financial services training (provided by Jobs for Youth, a subcontractor of Training, Inc.). Throughout the program, Training, Inc. provides all employee-trainees with counseling, case management, support services and GED tutoring (if necessary). To make sure that issues are dealt with before they become crises, the Project Coordinator meets individually with trainees every two weeks for the first four months and every four weeks for the rest of the year. In addition, eight Mellon personnel serve as mentors for the trainees.

Launching Opportunity for Employment took months of careful planning by Training, Inc., Mellon Bank, Jobs for Youth, the Private Industry Council and other public agencies. Underlying this effort is a decade-long partnership between Training, Inc. and Mellon—the bank has more than 10 associates volunteering at Training, Inc. and has hired graduates of other Training, Inc. programs. Like the other six Training, Inc. sites around the country, all of the Boston Training, Inc. programs are created for and with businesses to provide (comparatively) high-wage jobs for hard-to-serve clients. All Training, Inc. programs involve simulated work environments (including facilities, equipment, material, hours, codes of conduct and procedures); curricula developed with Advisory Boards drawn from the target industry; and industry partners that provide internships, serve as instructors and tutors, participate in practice interviews and act as mentors. Opportunity for Employment builds on this foundation and adapts these strategies to the requirements of *Work First*.

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Notes

1 *Work First* is not required, and the term "work first" does not appear, in the Workforce Investment Act (WIA). Section 663.310 of the Interim Final Regulations (posted on April 15, 1999 to the U.S. Department of Labor Employment and Training Administration's website) states that, "Training services may be made available to employed and unemployed adults and dislocated workers who: (a) Have met the eligibility requirements for intensive services, have received at least one intensive service...and have been determined [by the One-Stop operator or partner] to be unable to obtain or retain employment through such services;..." Useful information can be found on the Employment and Training Administration's website, www.doleta.gov, or at www.usworkforce.org, an ETA website exclusively concerning WIA. In addition, useful reviews of skills training and *Work First* under TANF and WIA can be found in Strawn, J. (1998) "Beyond Job Search or Basic Education: Rethinking the Role of Skills in Welfare Reform," Strawn, J. and R. Echols (1999) *"Welfare-to-Work Programs: The Critical Role of Skills"* and Savner, S. (1999) "The Final TANF Regulations: A Preliminary Analysis" all available from the Center for Law and Social Policy, and Savner S. (1998) "Implementing the Sequential Eligibility Rules for Training Services under the Workforce Investment Act of 1998," in *Workforce Investment Quarterly*, Vol. V, Issue 4, National Governors' Association, Washington, D.C.

2 National Association of Manufacturers/ Grant Thornton LLP Survey of the American Manufacturing Workforce, 1997.

3 *America's New Deficit: The Shortage of Information Technology Workers*, U.S. Department of Commerce Office of Technology Policy, September, 1997.

4 Mishel, L., J. Bernstein and J. Schmidt, *The State of Working America 1998-1999*, Washington, D.C., Economic Policy Institute, 1999.

5 Carnevale, A., D. Desrochers, *Getting Down to Business—Matching Welfare Recipients' Skills to Jobs That Train*, Educational Testing Service, 1999.

6 Associated Press, May 11, 1999.

7 The lack of skills is not the only reason that some people have difficulty getting and keeping well-paying jobs. Other factors include poor physical or mental health, various forms of discrimination, language and cultural barriers, inadequate transportation, and finally the ability and willingness to identify opportunities and to put in the work that it takes to make them pay off.

8 June 1999 interview with L. Bassi, Vice President for Research and Enterprise Solutions, American Society for Training and Development.

9 Henckoff, R. "Companies that Train Best," *Fortune*, March 22, 1993.

10 Lynch, L.M. "Payoffs to Alternate Training Strategies at Work," in *Working Under Different Rules*, R.B. Freeman (ed.), Russell Sage Foundation, 1993.

11 Seefeldt K., J. Sandfort, S. Danziger, *Moving Toward a Vision of Family Independence: Local Managers' Views of Michigan's Welfare Reforms*, University of Michigan School of Social Work, Michigan Program on Poverty and Social Welfare Policy, 1998.

12 Work was an important component of many programs funded under the Comprehensive Employment and Training Act (CETA).

When CETA was replaced by the Job Training Partnership Act (JTPA) in the late 1970s, broad funding for this strategy was eliminated, in part because it had been used poorly in a number of high-profile initiatives; many practitioners and policymakers regretted the loss of what they knew to be a valuable component in well-designed well-administered programs. Several program models combining work and training continued notably supported work. Under the supported work model, initiated by the Wildcat Service Corporation, a welfare recipient agrees to have her or his welfare benefits paid (or "diverted") to a workforce development organization that employs the trainee from the first day in training.

13 For more information on this project, see the Wildcat Service Corporation's report, *Private Industry Partnership: An Employer-Based Initiative for Welfare Reform and Career Opportunities*, March 1998.

P/PV

Public/Private Ventures is a national nonprofit organization whose mission is to improve the effectiveness of social policies, programs and community initiatives, especially as they affect youth and young adults. In carrying out this mission, P/PV works with philanthropies, the public and business sectors, and nonprofit organizations.

We do our work in four basic ways:

- *We develop or identify social policies, strategies and practices that promote individual economic success and citizenship, and stronger families and communities.*
- *We assess the effectiveness of these promising approaches and distill their critical elements and benchmarks, using rigorous field study and research methods.*
- *We mine evaluation results and implementation experiences for their policy and practice implications, and communicate the findings to public and private decisionmakers, and to community leaders.*
- *We create and field test the building blocks—model policies, financing approaches, curricula and training materials, communication strategies and learning processes—that are necessary to implement effective approaches more broadly. We then work with leaders of the various sectors to implement these expansion tools, and to improve their usefulness.*

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Working Ventures seeks to improve the performance of the workforce development field by providing practitioners and policymakers with the knowledge and tools needed to operate effective employment programs. We support the field by documenting effective employment strategies and practices, convening practitioner workshops and providing resources to encourage program innovation.

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